



DUKE ENERGY CORPORATION  
139 East Fourth Street  
P. O. Box 960  
Cincinnati, OH 45201-0960

**Dianne Kuhnell**  
Paralegal

513.287.3402

513.287.3810 fax

**VIA OVERNIGHT MAIL**

**RECEIVED**

May 12, 2006

MAY 15 2006

Ms. Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

PUBLIC SERVICE  
COMMISSION

Re: The Application of The Union Light, Heat and Power Company to Implement a hedging Program to Mitigate Price Volatility in The Procurement of Natural Gas.  
Case No. 2005-00191

Dear Ms. O'Donnell:

I have enclosed an original and 12 copies of *Duke Energy Kentucky's Final Report On Hedging Activity For April 1, 2005 Through March 31, 2006 and Interim Report On Ongoing Gas Hedging Activity* with the redacted version of the Final Report attached. Also enclosed is the *Petition of Duke Energy Kentucky for Confidential Treatment of Information Contained In the Hedging Report of April 1, 2005 Through March 31, 2006 and Interim Report On Ongoing Gas Hedging Activity* with the unredacted version of the Final Report in envelope attached.

Please date stamp and return the two extra copies of each pleading in the enclosed, self-addressed envelope.

If you have any questions, please do not hesitate to contact me at (513) 287-3402.

Sincerely,

Dianne Kuhnell  
Paralegal

cc: Hon. Elizabeth Blackford (w/encl.)

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

MAY 15 2006

APPLICATION OF THE UNION LIGHT, )  
HEAT AND POWER COMPANY )  
IMPLEMENT A HEDGING PROGRAM )  
TO MITIGATE PRICE VOLATILITY )  
IN THE PROCUREMENT OF )  
NATURAL GAS )

PUBLIC SERVICE  
COMMISSION

CASE NO. 2005-00191

---

PETITION OF DUKE ENERGY KENTUCKY  
FOR CONFIDENTIAL TREATMENT OF INFORMATION  
CONTAINED IN THE HEDGING REPORT  
OF APRIL 1, 2005 THROUGH MARCH 31, 2006  
AND INTERIM REPORT ON ONGOING GAS HEDGING ACTIVITY

---

The Union Light, Heat and Power Company d/b/a/ Duke Energy Kentucky (“Duke Energy Kentucky”), pursuant to 807 KAR 5:001, Section 7, respectfully requests the Commission to classify and protect as confidential certain information that is contained in its Hedging Report for the Period of April 1, 2005 through March 31, 2006 and Interim Report on Ongoing Gas Hedging Activity (“Report Period”) in this proceeding, which is being filed contemporaneously with this petition. In support thereof, Duke Energy Kentucky states:

1. Duke Energy Kentucky has filed today documents containing information relating to the volumes of gas that Duke Energy Kentucky purchased through the use of hedging instruments for its hedging plan, and this would damage Duke Energy Kentucky by alerting suppliers as to how much gas Duke Energy Kentucky intends to purchase through hedging instruments at any particular point in time, which could allow suppliers

to raise the cost of their hedging instruments to Duke Energy Kentucky, thus making it more costly to Duke Energy Kentucky to acquire hedging instruments for future gas supply. As required by 807 KAR 5:001, Section 7(2)(b), Duke Energy Kentucky is providing one copy of the hedging volume information under seal.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878 (1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

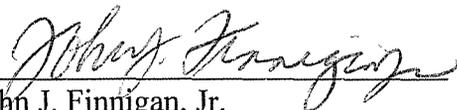
3. The hedging volume information described above contains sensitive commercial information, the disclosure of which would injure Duke Energy Kentucky for the reasons stated above. Duke Energy Kentucky's purchases of hedging instruments is confidential. Public release of this information would allow other suppliers to have access to this information and could enable such suppliers to charge higher prices to Duke Energy Kentucky for hedging instruments. Similar information has previously been treated as confidential in this proceeding under letter from Ms. O'Donnell docketed in this proceeding on February 22, 2006.

4. The information for which Duke Energy Kentucky is seeking confidential treatment is not known outside of Duke Energy Kentucky, and it is not disseminated within Duke Energy Kentucky except to those employees with a legitimate business need to know and act upon the information.

5. The public interest will be served by granting this Petition, in that Duke Energy Kentucky 's ability to obtain low cost gas supplies will be fostered and the cost of gas to Duke Energy Kentucky 's customers will thereby be minimized.

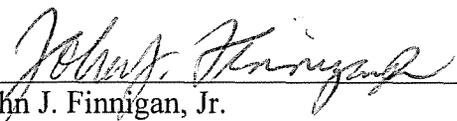
WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission classify and protect as confidential the specific information described herein.

Respectfully submitted,

  
\_\_\_\_\_  
John J. Finnigan, Jr.  
Senior Counsel  
Duke Energy Shared Services, Inc.  
2500 Atrium II  
139 East Fourth Street  
Cincinnati, OH 45201-0960  
(513) 287-3601  
e-mail: [John.FinniganJr@duke-energy.com](mailto:John.FinniganJr@duke-energy.com)

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Petition for Confidential Treatment was served to the parties listed below by regular United States mail, postage prepaid, this 12<sup>th</sup> day of May, 2006.

  
\_\_\_\_\_  
John J. Finnigan, Jr.

Hon. Elizabeth E. Blackford  
Assistant Attorney General  
Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204